

Media Release

For Immediate Release

New report identifies pressing need for wine market diversification

02 November 2021: Bentleys SA and the South Australian Wine Industry Association (SAWIA) have today released a new report that identifies how wine businesses in South Australia are adapting to counter the effects of the China wine duties, limited labour availability and COVID-19.

Through detailed interview surveys with 116 South Australian wine businesses of all sizes, the annual South Australian Wine Industry Snapshot report has identified that wineries are addressing the impacts of 2020 and 2021 with an increase in strategic product and market diversification.

“Over the past year, wine businesses have been dealing with two significant and unprecedented events – the loss of the China bottled wine export market and business operating restrictions related to the COVID-19 pandemic,” says SAWIA Chief Executive, Brian Smedley.

“These two events have had a negative impact on wine businesses, but they are responding by adapting their business strategies with innovative solutions. Wine businesses are looking at the diversification and innovation of their products, as well as targeting new demographics and new markets to overcome the increased domestic competition and the loss of the China market.

“While the Government has been able to secure new trade deals with the UK, there needs to be continued industry support through these trying times to safeguard the future of markets. Challenges include a shortage of skilled workers, an impact that must be addressed.”

As well as product and market diversification, wine businesses are increasing investment in innovation and new technology, and upskilling in marketing planning, e-commerce and social media to reach more customers.

“The industry must continue to change; it is how businesses adapt, evolve and take advantage of the opportunities that will determine future prosperity,” says Bentleys SA Partner, Tim Siebert.

“Understanding the impact of market changes will allow decision makers to understand both the profit, cashflow and long-term business impact. This will enable the evolution of strategic plans and business forecasts.”

The report found that the primary strategies employed to adjust to a changing industry include: increasing market penetration (existing market, existing product); improving profit margins; geographic expansion (new market, existing product); product development (existing market, new product); and diversification (new market, new product).

“The wine industry has demonstrated strong resilience over many decades. We are an industry that will respond to challenges and, as a collective, we have invested for the long term,” concludes Mr Smedley.

Wine businesses can read the full report via: <https://www.winesa.asn.au/news-resources/industry-government/sa-industry-snapshot/>

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About SA Wine Industry Snapshot Report

The annual South Australian Wine Industry Snapshot is a collaboration between Bentleys SA and the South Australian Wine Industry Association (SAWIA), designed to provide an overview of the South Australian wine industry each year, covering positive impacts, negative impacts, business sentiment, business/staff wellbeing, innovation and evolution.

About SAWIA

SAWIA is South Australia's wine industry association, made up of members who are wine producers and wine grape growers that pay an annual voluntary membership fee to access representation and leadership, advice and information, products and services, and promotion and market opportunities.

About Bentleys SA

Bentleys South Australia is a corporate services advisory firm which helps ambitious people and enterprises achieve their goals and aspirations, to get where they want to be. Owned and operated out of South Australia, the accomplished specialist team services clients from across the globe.

Bentleys SA is a member of Bentleys, a network of independent advisory and accounting firms located throughout Australia, New Zealand and China that trade as Bentleys. All members of the Bentleys Network are affiliated only and are separate legal entities and not in partnership.

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